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Determinants of Effective Combating Insurance Fraud within the Green Card System

The article summarises the activities undertaken by the Working Group on Fraud (WGoF) established in 2012 within the Council of Bureaux (CoB). The WGoF's scope of interests include issues regarding the fight against Motor Third Party Liability (MTPL) fraud on cross-border level, on behalf of CoB members. The approach adopted by the WGoF is the response to the constantly increasing volume of this phenomenon. The initiated actions can be considered in the light of determinants needed to combat insurance fraud effectively. It should be also noted that applied approach has to be regularly revised due to the changing nature of fraud. Moreover, the article highlights the Polish insurance sector systemic initiatives especially the engagement of the Polish Insurance Guarantee Fund toward fraud fighting. Certain future challenges concerning the WGoF activities are also mentioned.

Keywords: cross-border Motor Third Party Liability fraud fighting, Working Group on Fraud, Council of Bureaux (CoB), Green Card System, Polish Insurance Guarantee Fund (UFG).

1. Introductory remarks

In most European insurance markets fraud is considered as a very serious problem. Insurance Europe – the European insurance and reinsurance federation – published a report on the impact of this matter in 2013. Although the estimations for the total impact differ from market to market, it is considered that about 10% of all claims expenditure in Europe are related to fraud¹. Theoretically insurance should be based on mutual trust between both the policyholder and the insurer, but experience shows that this is not always the case – substantial sums of premiums are defrauded. When we focus on non-life insurance many estimations show the prevalence of detected fraud in motor insurance².

The general impression is that insurance fraud seems to be a “game with low risk and high reward”. Moreover, the perception of insurance fraud shows that very often it is not considered as crime. This is a result of how insurance companies are perceived and the attitude of society which accepts committing insurance fraud more than other types of infringements. As a result, an honest

¹ “The impact of insurance fraud”, Insurance Europe, Brussels, 2013, p. 9.

² On Polish example, the statistics for 2016 show that about 90% (in number of cases) and 60% (in value of cases) of offences in non-life insurance were in connection with motor insurance. See: “Analiza danych dotyczących przestępstw ujawnionych w 2016 roku w związku z działalnością zakładów ubezpieczeń – członków Polskiej Izby Ubezpieczeń”, Polska Izba Ubezpieczeń, Warszawa, 2017, p. 23–24, <https://piu.org.pl/wp-content/uploads/2017/10/Raport-o-przestepczosci-ubezpieczeniowej-2016.pdf>.

consumer pays the bill through higher insurance premiums, therefore it should be considered that fraudsters defraud not only insurers but also the insured.

The creation of anti-fraud systems, databases and other forms of information exchange remain mostly national or intra-group. Moreover, the detection of fraud cases which refer to different countries seems to be much more complex to identify than cases in the same country but between different companies. For example, the exchange of fraud information with other countries and the use of early warning systems are far more complicated in cross-border files. In case of organised crime one could imagine that criminals deliberately are looking for cross-border possibilities to avoid national measures. As a result, motor insurance fraud is increasingly a cross-border issue³. Much of it involve members of Council of Bureaux (CoB)⁴. That is the reason why the CoB decided to establish a Working Group on Fraud (WGoF) with the task to recommend possible practical solutions to Motor Third Party Liability (MTPL) claims handled by those institutions. The paper presents its accomplishments showing the determinants of effective fight against fraud as well as the future challenges in this area.

2. Council of Bureaux

CoB as an institution acting for the protection of cross-border road traffic victims is the managing organisation of the Green Card System. It coordinates the activities of the different National Motor Insurers' Bureaux that are members of the Green Card System (47 National Insurers' Bureaux representing more than 1500 motor insurers in 48 countries in Europe, North Africa, and the Middle East). From this point of view the Polish Motor Insurers' Bureau is one of the members of the Council. On the other hand, CoB supports bodies applying the European Union Motor Insurance Directives in practice, such as Compensation Bodies (CB), Guarantee Funds (GF) and Information Centres (IC)⁵. Therefore, the Polish Insurance Guarantee Fund is involved in CoB activities as well.

CoB organises many working groups in order to focus on specific subject area. These groups of experts work together to predict and analyse hindrances in the scope of different subjects and to propose effective solutions. For example, several working groups were established within CoB structures, namely: Internal Sanctions WG, Information Centre WG, Insolvency WG, Data Protection WG and Fraud WG.

³ "Driving better consumer outcomes in motor insurance: Focus on fraud", An Aviva Policy Paper, November 2015.

⁴ To show the scale of accidents in Europe between motorists originating from different countries on the Green Card System, one can quote information provided by CoB, which shows that such cases is more than 400 000 every year. See: <http://www.cobx.org>.

⁵ <http://www.cobx.org>.

3. Activities of the Working Group on Fraud

The WGoF was established in September 2012. Its permanent members represent several countries and institutions cooperating with CoB. Group's every year meetings and works in the meantime are aimed at tackling insurance fraud on a cross-border level. The WGoF mission statement is to take part in fraud fighting for cross-border MTPL cases on behalf of Green Card Bureaux (GCB), Guarantee Funds, Compensation Bodies and Information Centres. The challenge is being taken up by adaptation of a certain approach. This approach can be characterised by the determinants of effective fight against insurance fraud, which the WGoF decided to be:

- Raising awareness (by examples of types of fraud and statistics on costs of fraud, as well as setting the proper anti-fraud policy, etc.).
- Identifying obstacles to the fight against fraud in the rules and agreements between GCB, GF, CB and IC.
- Developing concrete tools for the fight against fraud as risk indicators, best practice measures, etc.

In order to fulfill the abovementioned scope of assignment some further recommendations have been formulated and put into practice. The following activities were introduced in pursuit of these goals.

First of all, the WGoF drafted a written policy to all CoB members in respect of fraud fighting. This is the collection of recommendations, a high level declaration with a strong commitment to invest in insurance fraud fighting. This policy should be initiated and supported by the board of organisation and therefore is sometimes called "the tone at the top". An anti-fraud policy can only be successfully implemented if it is supported by a strong commitment of bureau's management. The organisation should have the willingness to invest time, energy and money to effectively combat insurance fraud. Fraud fighting should be embedded throughout operational activities of institution. Employees need to receive frequent education on fraud awareness and fraud fighting mechanisms. The balance is to be found between timely compensation for claimants on the one hand and the need to "isolate" suspicious cases for detailed examination on the other. Concentration on correspondents, claims representatives and claims handling offices that also need to be aware and involved in fraud fighting strategies is stressed⁶. The policy addresses also another important issue – it covers not only externally motivated fraud but acts of internal fraud as well.

As a very first step, in March 2013 the Fraud WG designed a questionnaire which was launched to all GCB, GF, CB and IC. The survey aimed at recognizing issues connected with insurance fraud amongst these institutions. The questionnaire was based on six sections, each covering and collecting information on different points:

⁶ For more information on cross-border claims handling regulations see: "Internal Regulations" of the Council of Bureaux, <http://www.cobx.org>.

- General perception of fraud.
- Organisation of fight against insurance fraud on national level.
- Available means and methods to fight against MTPL fraud.
- Information about obstacles to fight against cross-border MTPL fraud.
- Information about best practices and suggestions to fight against cross-border MTPL fraud.
- Information about agreements in this matter on international level.

Next sections collect and present the most interesting results of this questionnaire.

The majority of replying countries (95%) perceive insurance fraud as a major problem with around 10% of all claims being fraudulent. Cross-border MTPL insurance fraud seems to be less perceived with only approximately 70% of all countries mentioning this aspect. Generally, this is due to the fact that there is no separate claims data recorded and available for the GCB, CB, IC as regards cross-border fraud. Therefore it appears to be difficult to measure the impact of international fraudulent claims. The economic impact of cross-border fraud appears less significant than national fraud and is much more difficult to investigate. The most common and important types of fraudulent claims seem to occur in the area of: exaggerated claims (e.g. whiplash), staged accidents (which trigger unusual circumstances causing accident) and ghost accidents (resulting in fabricated claims for accidents that have never taken place). As it has been emphasized, some Western European countries such as France, the Netherlands, Ireland and the United Kingdom seem to have a higher level of fraudulent cases. At the same time those countries are more aware of the problem and have implemented more means to address the problem⁷. In some countries, for instance in Spain, the economic crisis in Europe has shifted fraudulent behaviour from professional to amateur cases. In other countries, such as the United Kingdom, both professional and organised insurance fraud are becoming more significant. Taking into account replies received, less than 40% of the countries have installed a central body for the fight against insurance fraud. The following types of cooperation on national level were mentioned in this area: cooperation with the national police authorities, working

⁷ Considering the means, some examples of organisations established to fight against insurance fraud in these countries can be mentioned, namely: Agence pour la Lutte contre la Fraude a l'Assurance in France (ALFA, private agency whose main responsibilities are: coordination of information exchange between companies, conducting investigations based on private investigators and managing relationships with law enforcement agencies), Insurance Fraud Bureau, Association of British Insurers, Insurance Fraud Enforcement Department in the United Kingdom (IFB, ABI, IFED respectively, responsible for the industry's mutual fight against insurance fraud, collecting information of known insurance fraudsters in Insurance Fraud Register database and dedicated to investigate fraud cases on a daily basis by teams of detectives, investigators and police staff; for the completeness Claims and Underwriting Exchange database along with Motor Insurers Anti-Fraud and Theft Register and MyLicence programme should be mentioned), Verbond van Verzekeraars in the Netherlands (Dutch Association of Insurers which supports several other organisations in the field of prevention and deterrence to counteract fraud and crime), Motor Insurers' Bureau of Ireland (MIBI with a range of commitments which aim to reduce the level of claims fraud).

groups at the level of the national insurance association, several organisations working together with the national insurance association, private sector founded by insurers, public institutions and combinations of aforementioned. However, many countries also organise their fight against fraud on the level of individual insurance companies, some in cooperation with the institutions as listed above.

As the survey showed, among the most important instruments of fight against insurance fraud are central databases. Mostly these databases are under the control of public and private institutions and data protection law seems to limit the exchange of information even on national level. In many countries the access to these databases is restricted to insurance companies and members of the national insurance association. Cross-border information exchange is usually not available. Additionally, relatively low level of GCB, GF, CB and IC uses risk assessment tools, allowing automatic claims assessment in terms of fraud occurrence.

The main obstacle to the fight against general insurance fraud and in particular cross-border MTPL fraud is confirmed by the majority of countries as a problem of national and European data protection law. Imposed constraints prevent the exchange of necessary personal information in the event of potential fraudulent claims. Other obstacles are as follows: lack of harmonisation of national law concerning private investigation of claims, outsourcing of claims handling, limited staff and budget of the national institutions, low priorities for the handling of cross-border accidents.

Besides, Council members recommended the following measures for the fight against fraud on international level. First of all, national documents concerning policy conditions should address fraudulent behaviour. As it has already been stated, the policy for the fight against fraud should develop external and internal management directions, raise the awareness of other entities and especially give warnings to be considered by claimants. Secondly, the standard list of fraud indicators should be prepared and used by claims handlers. Additionally, claim handlers should be trained and educated to make a distinction between genuine and fraudulent cases. There were also some recommendations concerning regular information exchange between Bureaux and seminars about typical fraudulent cases, as well as general exchange of information with consideration of data protection issues. As it is going to be shown further, most of this recommendations were put by the WGoF into practice.

The questionnaire's results showed also the existence of some international agreements for the fight against insurance fraud especially in motor insurance. Members pointed out that their countries are parties of International Convention for the Recovery of Stolen Vehicles⁸. Some of them also indicated that they

⁸ For more information about this network which is set throughout Europe see: <https://www.insuranceurope.eu/international-convention-recovery-stolen-vehicles>.

were a part of agreement signed in 2011 in Zagreb which constituted permanent mutual relationships between the signatories⁹.

What is more, the questionnaire confirmed that the vast majority of the Council's members did not use tools the aim of which would be to help claim handlers in their day-to-day work to identify potential fraudulent cases, in particular as regards cross-border ones. This was the reason to start the preparation by the WGoF the so called Fraud Risk Assessment Form (FRAF) which could be used for the distinction of possible fraudulent claims. The form includes around 30 indicators (questions) along with the allocation of points, once the set condition has been met, and the thresholds which split potential genuine and fraudulent cases. The thresholds show which of them are potentially nonfraudulent, should be reviewed by the fraud specialist team or need full fraud investigation. FRAF serves as a kind of checklist which can be used to avoid overlooking certain elements that may lead to further investigation. CoB encourages its members to use FRAF, which could be also used as a standard to be adopted to the needs of the national market. For example indicators, the allocation of points and thresholds can be adapted individually by the entities using them for their own environment and purposes. FRAF can be implemented in paper version or as well as an IT tool.

Along with the FRAF comes the question whether it is possible to implement some IT-tools to be used by CoB members, which on an automated basis would isolate suspicious cases for detailed examination. This question was also raised during the WGoF's meetings. Therefore the group decided to organise meetings with various private companies supporting insurance undertakings to combat fraud. The Group established also the cooperation with Riskcenter, the Research Group on Risk in Insurance and Finance from University of Barcelona. Those works were focused on the possibility to implement some predictive analytics for fraud detection, the so called "profiling" models. As such efforts need the engagement of many CoB members with different types of IT software used to settle claims and with different environmental aspects, the final conception of possible solution in this matter has not been prepared yet. Beside the abovementioned cooperation, Group established partnership and participated in meetings of the European Union Platform for Tackling Vehicle Crime, which involved various stakeholders like: Insurance Europe, Federation Internationale de l'Automobile (FIA), network of European Union contact points for tackling cross-border vehicle crime (CARPOL), Association of European Vehicle and Driver Registration Authorities (EReg), European Council for Motor Trades and Repairs (CECRA), European Group of Automotive Recycling Associations (EGARA) and European Automobile Manufacturers

⁹ Protocol on Cooperation to Combat Insurance Fraud signed on 12th April 2011 in Zagreb by representatives of Insurance Associations of Bosnia-Herzegovina, Montenegro, Hungary, Macedonia, Slovenia, Serbia and Croatia. Later on this group was joined by the Czech Republic, Romania and Austria. For more information about activities that signatories of protocol undertook see: "2011 Croatian Insurance Marke", Croatian Insurance Bureau, https://www.huo.hr/download_file.php?file=annual-report-20111.pdf.

Association (ACEA). The latest meeting's discussion concerned autonomous vehicles and the influence on theft, mileage fraud and the impact of vehicle's thefts on the insurance industry.

One of the key factors in an effective combat against insurance fraud is frequent and efficient communication between different stakeholders¹⁰. In cross-border claims this means a cooperation between participants in different countries. In order to facilitate such a cross-border exchange of information, the WGoF developed the idea to set up a network of contact persons in GCB, CB and GF. The aim of the network is to establish a more permanent cooperation between those institutions in view of identifying fraud in specific files, while at the same time respecting rules on data protection. Such "single points of contact" are invited to have contact on a regular basis and to exchange best practices in fraud fighting. Appointed persons can be either a specialist in insurance fraud matters or a contact person with easy access to such specialists on the national market. In order to provide some support for them, the WGoF prepared a special folder on the CoB Extranet with documents dedicated to the topic. These are guidelines for the persons participating in the network as regards the aims of the network, expectations, rules on data protection, information about different anti-fraud projects being implemented by CoB members, as well as the results of the previous works of the WGoF, for example FRAF.

The WGoF also supported the first meeting of the contact persons network which was organised along with the 2nd CoB Academy Advanced dedicated to "Insurance Fraud in MTPL Claims Handling". The meeting took place in February 2016 – one of its aims was to strengthen the network and to provide some of its members with basic information about the CoB, the Green Card System and the 4th Motor Insurance Directive. The Academy gathered registrants from GCB, CB, GF, IC, insurance companies and claims handling offices. During theoretical presentations and interactive workshops different topics were discussed, amongst which were: international dimensions and challenges of insurance fraud, legal and medical aspects of insurance fraud, the quantitative methods and techniques that can help detect fraudulent claims. Members of the WGoF co-moderated workshops.

Another WGoF's initiative which involved the network of fraud contact persons was the questionnaire about databases available on the national level and giving information that can help disclosing fraudulent activities. The vehicle's context's questionnaire gathered information about databases availability and possibility of accessing them by different entities. The questions concerned registration history, damage history along with pictures availability, road-worthiness and the storage of odometer information. As a result, contact persons received complete information about foreign, mostly European databases. Some of these databases are available online and could be used to ascertain the genuineness of data provided by the claimant.

¹⁰ "Insurance Fraud Taskforce: final report", Crown, January 2016, p. 7. See: <https://www.gov.uk/government/publications/insurance-fraud-taskforce-final-report>.

It cannot be denied that data protection issues have a major influence on possibilities of fraud fighting. The privacy regulations are often seen as an obstacle for effective fraud fighting and this is why the WGoF is also tracking the on-going law changes. The most influencing recently is the impact of the new General Data Protection Regulation (GDPR) on combating fraud¹¹. The GDPR is going to replace the existing European Directive on Data Protection which dates back to 1995¹². Since the new text is a regulation, it will be directly applicable in all Members States of the European Union without having to be transposed into national legislation. The GDPR is going to enter into force on 25th May 2018. Its provisions do not contain any explicit references to fraud fighting but two recitals of the preamble speak about the fight against fraud. These can possibly offer a legal ground for the processing of personal data:

- Recital 47: “The processing of personal data strictly necessary for the purposes of preventing fraud also constitutes a legitimate interest of the data controller concerned”.
- Recital 71: “(...) decision making based on such processing, including profiling, should be allowed where expressly authorised by Union or Member State law to which the controller is subject, including for fraud and tax-evasion monitoring and prevention purposes (...)”.

Despite the GDPR, Member States may still adopt measures offering a higher data protection level, provided that these measures do not contradict rules of European Union law. What should be stressed is that having the data subject’s consent in relation to new regime is always a strong legal ground for processing personal data¹³.

Apart from the GDPR, other legal issues were taken into consideration. As an example, one can mention the European Court of Justice’s judgement in the Vnuk case, but possible influence on fraudulent activities seems to be limited to some countries only and therefore will not be elucidated here¹⁴.

Without going deeply into the subject, only general remarks will be given in relation to future challenges in fraud development driven by technological evolutions. On one hand, advances in technology can help combating fraud (e.g. dashboards cameras, telematics¹⁵), on the other hand, they can increase the risk of fraud (e.g. keyless cars). It has to be emphasized that new technologies bring new opportunities for insurance organisations and for fraudsters. Only

¹¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

¹² Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

¹³ P. Litwiński, “Czas na RODO”, *Miesięcznik Ubezpieczeniowy*, No. 12, December 2016.

¹⁴ See: ECJ C-162/13, <http://curia.europa.eu/juris/liste.jsf?num=C-162/13&language=EN#> and <https://www.gov.uk/government/consultations/motor-insurance-consideration-of-the-vnuk-judgment>.

¹⁵ Vehicle telematics in insurance uses information on the driver’s driving style and vehicle’s real usage, e.g. distance travelled, speed patterns, acceleration, breaking, cornering. This information can be used to adjust premium.

following trends and keeping up to date with them will allow to fight against fraud effectively. The WGoF is going to focus more on this issue during next meetings.

4. Polish insurance sector activities within fraud fighting – systemic approach

Polish Insurance Guarantee Fund joined the WGoF in September 2015. It must be emphasized that UFG had the opportunity to play an active role during the 2nd CoB Academy Advanced. UFG was responsible for preparing a workshop about the use of databases in the fight against fraud. The session highlighted the needs and possibilities in the context of fraud detection process based on UFG's Central Database (MTPL and autocasco data) and external state databases. The aim of the workshop was to outline the usefulness of data in the mean of synergy effect and statistical methods which address the issue. Based on the pilotage prepared in the past for insurance companies, UFG's members, some results on combating fraud as examples of good practices were shown. The FRAF with potential business rules which could be applied to identify fraudulent claims was also presented.

One must note that UFG statutory tasks involve administering IT database in the scope needed to identify, verify and counteract infringement of interests of insurance market's participants, particularly in the field of compensations and benefits paid from insurance contracts in branch I or II other than MTPL and autocasco insurance. On the other hand, MTPL and autocasco data which are collected in UFG's Information Centre database can be processed for the purpose of identification and verification of phenomena connected with insurance fraud¹⁶. This constitutes UFG, as one of organisations in Poland with complex and main role in the fight against fraud within all lines of insurance business¹⁷. This central role manifests itself particularly in two projects, one of which is currently being implemented with the support of the European Union subsidies and the other has already been implemented and is in its starting phase¹⁸. Those projects show the UFG's holistic approach in the field of fraud fighting and the commitment in the support of participants of insurance market, i.e. insurance companies, state institutions, clients, public domestic and international entities involved in this activity. The primary functionalities of anti-fraud platform in relation to MTPL and autocasco line of business include, i. a. electronic exchange of information between beneficiaries, analytical environment to detect and analyze

¹⁶ The distinction is in line with the independence of Information Centre database and other groups of insurance database. For the clarification in fraud context see: Ustawa z dnia 22 maja 2003 r. o ubezpieczeniach obowiązkowych, Ubezpieczeniowym Funduszu Gwarancyjnym i Polskim Biurze Ubezpieczycieli Komunikacyjnych (tekst jedn. Dz. U. z 2016 r. poz. 2060, z późn. zm.), art. 102 and 102a.

¹⁷ See also: P. Mirowski, "Kto przeciwdziała?", *Miesięcznik Ubezpieczeniowy*, No. 10, October 2017.

¹⁸ More information about the subsidized project can be found on: <https://bazakonkurencyjnosci.funduszeuropejskie.gov.pl/publication/view/1016222>, where tender documents including terms of reference with general information about anti-fraud system are located.

policies and claims with the use of advanced statistical methods and verification with the state databases¹⁹. Considering international cooperation on cross-border fraud fighting, the platform is going to provide a functionality of knowledge base. This concept assumes collecting information and using it to popularize knowledge about phenomena related to insurance fraud. The knowledge base is dedicated to support those who professionally deal with fraud, but it will also provide educational services to a wider audience. In this context gathering international experience in the way to counteract fraud, for example by the use of information on foreign fraud schemes, importing innovative ideas, sharing expert knowledge concerning fraud prevention and following changes in other countries are of great importance. The knowledge base is also going to serve as an environment used to exchange information between contact persons and UFG in matters related to fraud.

In addition, it should be highlighted that in Poland regular research on issues related to insurance fraud is conducted by the Polish Insurance Association (PIU). These efforts are coordinated by the Committee for Counteracting Insurance Crime and the Subcommittee for Counteracting Life Insurance Crime. Their results are published in a report which collects information from insurance companies operating in Poland. The PIU analysis is carried out separately for life and non-life branches. The latest report shows information for the year 2016. Year by year starting from 2010, both in life and non-life branch, the value of detected insurance frauds has been increasing. In 2016 its value in I and II branch reached PLN 13,7 million and PLN 211,9 million respectively. This accounts for about 0,2% and 1,15% of total payments made within those branches, which comparing to the potential estimates of about 10% should be considered only as the tip of the iceberg. The report conclusions and recommendations for both life and non-life life insurance are as follows²⁰:

- Improvements in effectiveness of fraud fighting in life insurance and reaching the level of detection as in non-life insurance will not be possible without a wide exchange of data, including institutions responsible for health care and social security. Effectiveness increase requires also the use of databases solutions that cover the entire market and all types of products.
- Insurance companies operating in both branches should harmonize their strategies, as many methods of fight against fraud could be used by life and non-life insurance companies. Data comparison of fraudsters between branches would be valuable.
- Insurance undertakings will face new cyber security challenges – new electronic communication channels with customers will rise many risks associated with proper identification of clients.

¹⁹ Some of these methods that are going to be used include: social network analysis, text mining or anomaly detection, methods of supervised and unsupervised machine learning like logistic regression, decision trees, random forest, neural network. The majority of them are described in: B. Baesens, V. Van Vlasselaer, W. Verbeke, "Fraud Analytics Using Descriptive, Predictive and Social Network Techniques", Wiley, 2015.

²⁰ "Analiza danych dotyczących przestępstw ujawnionych w 2016 roku ...", *op. cit.*, p. 9, 19, 21, 34.

- The development of new distribution methods connected with mobile devices as well as fintech/insuretech solutions will create new and unknown challenges changing the perception of fraud and requiring an innovative approach.
- The problem of cross-border fraud is not only a challenge in motor insurance. Insurance companies should be prepared to indentify properly the documents and identity of potential non-residential customers.
- Rapid changes in motor insurance are the driving factors that will lead to a the redefinition of pricing methods and the need to control claims settlement processes.

5. Final remarks

In view of the fact that insurance fraud does not only affect an individual entity or country, but rather is a burden of international concern and with impact on CoBs' members, it was decided to establish the WGoF within its structure. Since 2012, the WGoF has been supporting the CoB members to facilitate the fight against cross-border insurance fraud. Its activities can serve as an example of good practices in matters related to deterring fraud. Some of the WGoF recommendations are also in line with methods of preventing fraud applied by insurance companies.

The key determinant in effective fight against fraud phenomenon is to remember that insurance organisations should be treated as public trust institutions. This serves as a signpost to the company's management to adopt fraud fighting policy. The priority of such a policy is due to the fact that insurer supervises fund established to support financially its clients and to protect their interests. In this way, the protection of cross-border road traffic victims means also securing the financial stability of CoB members, which should be supported by setting up an anti-fraud policy.

A universal process of risk management as a first step usually takes risk identification. The same step was undertaken at the beginning of activity of the WGoF, concerning the recognition of fraud phenomenon. "Knowing your enemy" is the statement which best describes this process and equivalently the results of the first fraud questionnaire. Many further decisions regarding group's initiatives have been taken on the basis of this questionnaire. Some of these activities need a constant support by the WGoF.

Due to the fact that most of CoB members did not use tools to assess the risk of fraud, one of the simplest methods has been proposed to tackle this issue. Business rules are of great advantage when it comes to intuitive interpretation, and as well can be very powerful method in fraud fighting. Although this kind of data profiling is basic approach used widely by insurance companies, some more sophisticated methods are still being recognised by the WGoF in order to provide the solution which could be accepted and applied by most of CoB members. The possible use of statistical models depends on data stored in databases. The exchange of information plays here the crucial role. Knowing what information could be available for further cross-border investigation is very helpful

and this is facilitated by the questionnaire on databases. Despite the fact that mostly this exchange of information and database availability is on national level, here with the solution comes the network of fraud contact persons which brings together its members. The special effort has been taken to support and spread knowledge exchange between fraud network contact persons and as an example the CoB Academy Advanced can serve. The network ensures fast and transparent exchange of information with the emphasis on data protection issues. The WGoF has also considered the most recent views in the field of data protection. The introduction of the GDPR in May 2018 raises a number of important questions and will strongly influence the willingness to exchange data cross-border. The Group also maintains its contacts with other stakeholders such as Insurance Europe, EReg, CARPOL, FIA, CECRA, EGARA, ACEA. This collaboration shows that tackling vehicle crime is certainly an international matter and helps to explore the areas of cooperation with a view to achieving the common goal: the limitation of fraud phenomenon.

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Determinanty skutecznej walki z przestępstwami ubezpieczeniowymi w systemie Zielonej Karty

Autor artykułu podsumowuje działalność Grupy Roboczej do spraw Przestępczości, utworzonej w 2012 roku przy Radzie Biur. Zakres aktywności Grupy Roboczej obejmuje zagadnienia związane z przeciwdziałaniem zjawisku przestępczości tranzgranicznej w odniesieniu do ubezpieczenia odpowiedzialności cywilnej posiadaczy pojazdów mechanicznych i w imieniu członków Rady Biur. Zastosowane przez Grupę Roboczą podejście jest odpowiedzią na rosnący wolumen przypadków przestępstw ubezpieczeniowych w tym zakresie. Zainicjowane działania mogą być rozpatrywane w świetle determinantów skutecznej walki z przestępstwami ubezpieczeniowymi, tym niemniej należy zauważyć, że zastosowane podejście wymaga ciągłej weryfikacji ze względu na zmienną naturę przestępczości. Autor podkreśla również rolę i systemowe zaangażowanie polskiego rynku ubezpieczeniowego, w tym w szczególności Ubezpieczeniowego Funduszu Gwarancyjnego, w działania związane z przeciwdziałaniem zjawisku przestępczości. Ponadto opisuje wyzwania w zakresie dalszych działań Grupy Roboczej.

Słowa kluczowe: tranzgraniczne przeciwdziałanie przestępstwom ubezpieczeniowym w zakresie odpowiedzialności cywilnej posiadacza pojazdu mechanicznego, Grupa Robocza do spraw Przestępczości, Rada Biur, System Zielonej Karty, Ubezpieczeniowy Fundusz Gwarancyjny (UFG).